



Republic of Serbia
**COMMISSION FOR PROTECTION
OF COMPETITION**

Number: 1/0-08-XXX/2011-2

Date: November xx, 2011

Belgrade

SUBJECT: Request for issuing opinion on the existence of obligation to submit notification on concentration in the case of implementing described business transaction on the part of company A from the Republic of Serbia as the target company, its current sole founder and owner of 100% of equity interest – company B from abroad, and the future co-owner with 50% of equity interest in the domestic company – foreign company C.

Pursuant to Article 21(1/8) of the Law on Protection of Competition (“Official Gazette of the RS”, no. 51/09 – hereinafter referred to as the Law) and Article 21(1/3) in reference to Article 14(1/8) of the Statute, acting at the request for issuing opinion entered under number 1/0-08-XXX/2011-1 of November xx 2011, submitted on the part of plenipotentiary representative from Belgrade, on November xx 2011, President of the Commission for Protection of Competition issues the following

OPINION

Implementation of planned transaction as described in your submission comprising of the change of type of control in the domestic legal entity in a manner where individual control in company A from the Republic of Serbia will be transformed into joint control which will be evenly implemented between two foreign legal entities, represents the case where **legal preconditions for submitting notification on concentration are not fulfilled**, thus the transaction concerned is **not subject to the obligation to notify the Commission with the objective of acquiring approval for related implementation.**

Rationale

When issuing this opinion, the Commission for Protection of Competition has considered the fact that target company in the transaction concerned – domestic legal entity A from the Republic of Serbia is newly founded company, established on May xx 2011, with share capital of EUR XXX and registered on the same day in the company registry maintained by the Business Registers Agency of the Republic of Serbia. This case concerns a single-member company, not conducting any kind of business operations in the territory of the Republic of Serbia or abroad since the founding until present day, thus registering no operating revenues both domestically and abroad. The founder and sole owner of this domestic company with 100% of equity interest is foreign company B. The holding company of this domestic subsidiary is not an undertaking in the Republic

of Serbia, while company B is not performing, either currently or in the past, in direct or indirect manner, any kind of activity on our national market, thus registering no operating revenues on the market of the Republic of Serbia.

The other foreign legal entity – company C plans to acquire 50% of equity interest from the current sole owner in the domestic company A. This foreign company also is not performing, either currently or in the past, in direct or indirect manner, any kind of activity on the market of the Republic of Serbia. Due to the fact that company C is not performing any activities on our territories, it does not represent an active undertaking on our national market, nor is generating any form of operating revenue.

The above-mentioned foreign legal entities are currently holding negotiations on entering into share transfer agreement between companies B and C, while the Commission determines that for related implementation of transaction it is **not necessary to submit notification on concentration** due to non-fulfilment of revenue conditions from Article 61 of the Law.

For implementation of business intent as described in your request, companies that will execute control in the domestic legal entity are not obligated to submit notification on concentration to the Commission.

PRESIDENT OF THE COMMISSION